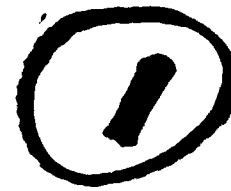




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UNITED STATES GENERAL ACCOUNTING OFFICE
WASHINGTON, D.C. 20548



HUMAN RESOURCES
DIVISION

Accession For
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DATE

SEPTEMBER 17, 1981

B-204525

The Honorable Robert J. Dole
Chairman, Committee on Finance
United States Senate

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Dear Mr. Chairman:

Subject: States' Efforts to Detect Duplicate Public
Assistance Payments (HRD-81-133)

At the request of the former Chairman of the Finance Committee, we obtained information on States' efforts to make intrastate comparisons of their public assistance rolls for detecting duplicate payments. We also made analyses of the Aid to Families with Dependent Children (AFDC) program in four States to determine the extent to which duplicate enrollments and payments were occurring but not being detected by these States. The results of this work are detailed in enclosure 1.

We sent questionnaires to the 50 States plus the District of Columbia, Guam, Puerto Rico, and the Virgin Islands and received responses from all of them. The information obtained indicates that about half the States have made efforts to compare their public assistance rolls on an intrastate basis for identifying duplicate payments. Twenty-five States plus the District of Columbia reported that they have, at least once, made such comparisons. However, because the frequency, thoroughness, and amount of available information on the results of these efforts vary significantly from State to State, we are unable to draw an overall conclusion on the success of these efforts in identifying duplicate payments.

Five States reported that they had made some sort of cost-benefit analysis of their matching efforts to compare public assistance rolls. Only Illinois, however, said it was cost beneficial to make intrastate comparisons of the public assistance rolls. Illinois reported that, for every \$1 spent on making comparisons, it identified \$2.36 of erroneous payments. Kentucky,

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Mississippi, Utah, and Virginia described their experiences as producing nominal results (i.e., very few duplicate or erroneous payments were identified). States which have not evaluated their results in light of the costs incurred expressed varying reasons for not undertaking such efforts. For example, New Jersey, Texas, and the District of Columbia contend it cannot be done precisely, and Ohio and Pennsylvania claimed they did not have the resources or capability.

Only Colorado used the Interjurisdictional Data Exchange (IDEX) model system, developed by the Department of Health and Human Services (HHS). All the other States used their specially designed technique or system for performing intrastate comparisons. While many States incorporated IDEX features into their systems, they said that specially tailored systems were necessary to fulfill State and local community needs.

Our analysis of all 1979 AFDC cases in Illinois, Massachusetts, Oregon, and Tennessee indicates that duplicate enrollments existed which may have resulted in undetected duplicate payments. Specifically, in Illinois we identified 6,580 pairs of AFDC cases (13,160 cases in total) which are worthy of detailed examination because beneficiary names, addresses, social security numbers, dates of birth, and sex closely resemble or exactly match each other. Similarly, in Massachusetts we identified 267 pairs of cases (534 cases in total) which closely resemble or match each other; in Oregon, 25 pairs (50 cases in total); and in Tennessee, 42 pairs (84 cases in total). Most enrollees involved in these AFDC cases were also receiving Food Stamp and Medicaid benefits.

Auditors from Massachusetts reviewed 43 pairs of AFDC cases (86 cases in all) which we provided them for followup examination. The Director of Audits informed us that 26 pairs (52 cases in all) appeared to contain payment errors, and 21 of these pairs (42 cases) possibly involved fraud. The Director stated that these cases, plus six others for which case files could not be found, would be referred to the State's Bureau of Special Investigation, which investigates matters of suspected fraud.

because of the many cases identified, we did not determine how many actually involved duplicate payments. On June 16, 1981, we gave the HHS Inspector General lists of these cases for detailed investigation and resolution. The HHS Office of the Inspector General accepted the responsibility for investigating the potential duplicate AFDC cases. Due to the number of cases, the Office of the Inspector General anticipates using the assistance of State auditors.

Our ability to identify the amount of AFDC duplication was constrained somewhat by invalid and missing information, critical to our analyses, in the four States' AFDC computerized beneficiary records. We found at least one error in the name, address, date of birth, or social security number (all of which were critical data elements used in our analyses) in 14.6 percent of the beneficiary records in Illinois and 12.7 percent of those in Massachusetts. Tennessee and Oregon had substantially lower error rates, 7.7 and 5.5 percent, respectively, but nevertheless, this erroneous information limited our ability to compare AFDC rolls in these States. For example, we discovered that Tennessee's records frequently did not contain the first name of children. Instead, the word "unborn" had been inserted as the first name (e.g., Unborn Jones) when the AFDC record was established, but it was not eliminated after the child's birth. In these situations we were unable to compare this data element with the same element in any other records. Erroneous information, such as invalid social security numbers (that is, numbers within ranges not yet issued by the Social Security Administration), can disguise duplicate enrollments and hinder their identification. Conversely, AFDC cases having identical beneficiary social security numbers can give the appearance of duplication when in fact two different people may be involved.

Most of the data element errors we found dealt with invalid social security numbers. Therefore, to help assure that valid social security numbers are used in the AFDC program, we recommend that the Secretary of HHS direct the Commissioner of Social Security to give States a list of the valid ranges of social security numbers for the States' use in checking the numbers provided by AFDC beneficiaries.

We also recommend that the Secretary direct the Commissioner of Social Security to determine why Illinois has so many incorrect social security numbers in its AFDC computerized system and require the State to:

- Modify its system to prevent the inclusion of beneficiary records with erroneous social security numbers and missing last names.

- Correct the erroneous data currently on file.

We further recommend that the Secretary of HHS direct the Commissioner of Social Security to require Tennessee to update the AFDC beneficiary data when dependent children are born to eliminate the designation of "unborn" in children's records.

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In addition, we recommend that the Secretary of HHS direct the Inspector General to follow up on State efforts to resolve the potential duplicate AFDC cases we referred to the Inspector General and report to the Secretary on the disposition of these cases.

In commenting on a draft of this report (see enc. II), HHS stated that substantive improvements have recently been made in that (1) States can now obtain bimonthly verification of social security numbers from the Social Security Administration and (2) States have been provided a list of the ranges of all social security numbers that have ever been issued. HHS agreed to work with Illinois and Tennessee to correct the erroneous data currently on file, and the Department will monitor the States' efforts to resolve the potential duplicate cases we referred to the Inspector General.

Unless you publicly announce its contents earlier, we plan no further distribution of this report until 10 days from its issue date. At that time, we will send copies to the Secretary of HHS; the Director, Office of Management and Budget; the Governors of the 50 States, Guam, Puerto Rico, and the Virgin Islands; and the Mayor of the District of Columbia--all of which were contacted during this audit. Copies of this report will also be made available to interested congressional committees and others upon request.

Sincerely yours,


Gregory J. Ahart
Director

Enclosures - 2

STATES' EFFORTS TO DETECT DUPLICATEPUBLIC ASSISTANCE PAYMENTSINTRODUCTION

In a June 1979 letter, the former Chairman of the Senate Committee on Finance requested that we: (1) determine which States have or are currently performing intrastate matches of public assistance rolls, (2) determine which States have used the Department of Health and Human Services' (HHS') Interjurisdictional Data Exchange (IDEX) model (for performing matches), (3) select several States and perform various analyses of their AFDC computerized beneficiary records by using identifiers other than just the social security number to detect duplication, and (4) match duplicates found on the AFDC rolls with the Medicaid and Food Stamp computerized beneficiary records to determine the the impact on those programs.

OBJECTIVES, SCOPE,
AND METHODOLOGY

As agreed with the Committee staff, we obtained information on the States' efforts to compare their public assistance rolls by sending a questionnaire in November 1979 to the 50 States, the District of Columbia, Guam, Puerto Rico, and the Virgin Islands-- 54 questionnaires in all. Among the questions we asked were:

- What assistance programs and rolls had been or were being compared on an intrastate basis?
- What data elements were being matched (e.g., names, addresses, social security numbers)?
- What computer package or techniques were being used to perform matches (e.g., IDEX or locally designed systems)?
- What cost-benefit analyses had been made for the matching process employed?

All 54 questionnaires were completed and returned to us. We did not attempt to verify the States' responses, and therefore, the information presented in this report on the States' efforts to compare public assistance rolls is a summary of what they reported to us.

We did, however, make our own analysis of AFDC rolls in four States--Illinois, Massachusetts, Oregon, and Tennessee--to determine whether duplicate enrollments and payments occurred which were not detected by these States. The four States were selected because they vary in program size (number of AFDC

beneficiaries), are geographically dispersed, and represent a mixture of rural and urban populations. Further, each State had centralized AFDC files. The core of our analysis was a set of computer programs we developed which were designed to compare State AFDC rolls and identify duplication among AFDC enrollments using the following information in the computerized beneficiary records:

- Name (first, middle initial, and last).
- Date of birth.
- Social security number,
- Sex.
- Address (street and zip code).

Each of these data elements was assigned a numerical weight (or value) to signify their relative importance. Each data element in one record was matched to the same element in another record, and the closeness of the match was also given a numerical value. These values were then multiplied, which enabled us to compute a total score for each pair of cases that contained matching elements. Depending on which elements were found to match, those pairs most likely to be duplicates could be identified by the score. In other words, the higher the score, the more likely a duplicate enrollment existed. The scores were then divided into four different match classes, each representing a range of scores--the higher the score, the higher the class and thus the greater probability of duplicate enrollment. Cases appearing in the four match classes were checked against Food Stamp rolls to determine whether these persons were also receiving food stamp allowances. As arranged with the Committee staff, we did not analyze Medicaid rolls because there are no cash payments or allowances made directly to Medicaid enrollees.

In all four States our matching technique identified potential duplicate enrollments. However, to check the results of our computer analyses and further refine the matching techniques, we selected a nonstatistical, judgmental sample totaling about 20 percent of the potential duplicate cases in Massachusetts. Cases from each of the four match classes were chosen, and we performed a detailed case folder review of these cases. Auditors from the Commonwealth of Massachusetts assisted us in this effort. Once we verified the accuracy of our computer analyses and felt confident that the matching techniques had identified duplicate AFDC enrollments in Massachusetts, we attempted to evaluate a random, statistically valid sample of potential duplicate cases in Illinois. Illinois officials, however, believed that it would be impractical to carry out such an evaluation, and the Committee staff requested that we not pursue the matter further. We did not take a sample of the potential duplicate cases in either Oregon or Tennessee

because our matching technique identified relatively few such cases. Instead, we referred all of these cases from the four States to the HHS Inspector General for detailed investigation and resolution, as requested by the Committee staff.

Also at the request of the Committee staff, we are not describing in this report the detailed matching and scoring techniques used for our analyses as their disclosure might provide knowledge on how to circumvent these techniques for fraudulent purposes. We have, however, provided detailed documentation of our techniques to the Committee staff.

BACKGROUND

The Congress enacted the AFDC program in 1935 (title IV of the Social Security Act, as amended) as a grant-in-aid program to help the States care for poor families which had no employable father in the home. Conceived as a State program, with the Federal Government simply paying part (originally one-third) of the bill, Federal law and regulation permits a wide diversity of approaches in the procedures for determining eligibility for AFDC. The amount of information required from the applicant, the extent of supporting documentation, the matters for which independent verification is sought, as well as the speed and accuracy of the determination process vary widely from State to State. However, the basic requirements for eligibility are similar--the family must have dependent children, and the father (or mother) must be continuously absent, incapacitated, or dead. In some States, families with unemployed fathers or mothers are also eligible for AFDC. In all cases, strict income tests must be met.

Since the AFDC program began, the Federal share of funding has gradually increased to where it now averages about 54 percent. Estimated AFDC cash payments in fiscal year 1980 totaled about \$11.7 billion, of which \$6.3 billion was the Federal share. On the average, an estimated 3.8 million families and 10.5 million people participated each month in the AFDC program during fiscal year 1980. By contrast, AFDC served about 6.2 million people in fiscal year 1969 with total cash payments of \$3.2 billion.

Two other State-administered public assistance programs financed heavily with Federal funds--Medicaid and Food Stamps--are closely tied to AFDC. Medicaid provides health care services to the poor, blind, aged, and disabled. All AFDC recipients are eligible for Medicaid benefits. In fiscal year 1980, about 10.1 of the 10.5 million AFDC recipients were also provided Medicaid benefits. Altogether, an estimated 23 million people received Medicaid benefits in fiscal year 1980 with Federal funds representing about \$12.6 billion of the \$22.3 billion in total costs. Like AFDC, Medicaid expenditures have steadily increased since the program was established in 1965.

The Food Stamp program is designed to help provide nutritionally adequate diets to low-income households by supplementing their food budgets. Until March 1979, AFDC recipients were automatically eligible for food stamps. However, with the enactment of the Food Stamp Act of 1977, AFDC recipients must now meet income and asset tests to be eligible for food stamps. In total, about 20.2 million people benefited from the Food Stamp program in fiscal year 1980, at an estimated Federal cost of \$8.7 billion. As in the other two programs, costs have increased steadily since this program was created in 1964.

The size and complexity of public assistance programs have created a substantial potential for erroneous payments. Data from the HHS Office of Inspector General indicate that, of the almost \$10.4 billion paid to AFDC families in fiscal year 1977, about \$865 million or 8 percent represented overpayments and payments to ineligible people. Thirty-one percent of the erroneous payments were attributed to fraud and abuse; the other 69 percent were caused by either agency error or nonfraudulent actions of recipients.

Efforts to prevent and detect erroneous payments are both increasing and becoming more practical. For instance, in using its regulatory authority, HHS has strengthened its quality control program and is giving the States guidance and technical assistance.

According to a 1977 Congressional Research Service report to the House Committee on Government Operations, electronic or automated data processing has emerged as an essential management tool for States and localities administering the large and complex AFDC program. Exercises, such as cross-checking or comparison of beneficiary file information, can be made by computers to maintain accurate records and check for program abuse. For example, one data processing feature that can be used to accomplish this task is data exchange with other computer systems--i.e., one State or locality can obtain information from another State or locality or check among its own public assistance programs by matching beneficiary and file information.

Under a 1974 contract, HHS developed such a system--referred to as IDEX. IDEX consists of a series of computer programs and administrative procedures which give State welfare agencies an increased capability to verify the earnings of AFDC recipients and detect duplicate payments received for public assistance from neighboring jurisdictions and within the same jurisdiction. The system may be used by a State with a centrally operated welfare program or a county-operated program and by jurisdictions with either manual or automated files.

As requested by the former Committee Chairman, we obtained information on the States' efforts to compare their public assistance rolls on an intrastate basis and developed and performed our own match and limited analysis of public assistance rolls in Illinois, Massachusetts, Oregon, and Tennessee. The results of this work are discussed below.

Question 1: Determine which States have or are currently performing intrastate matches of public assistance rolls.

Twenty-five States plus the District of Columbia reported that they have, at least once, compared their AFDC rolls against other public assistance rolls and/or against the AFDC rolls themselves on an intrastate basis. Only one of these States, Colorado, stated that it uses the HHS-developed IDEX model for performing intrastate matches. All of the other States performing intrastate matches said that they used their own locally designed systems for comparing rolls.

Of the 25 States and the District of Columbia, only 5 reported that they had made some sort of cost-benefit analysis of their matching efforts. Only Illinois stated that it was cost beneficial to make intrastate comparisons of public assistance rolls. It reported that, for every \$1 spent on making comparisons, it identified \$2.36 of erroneous payments. Kentucky, Mississippi, Utah, and Virginia described their experiences as producing nominal results (i.e., very few duplicate or erroneous payments were identified). States which have not evaluated their results in light of the costs incurred expressed varying reasons for not undertaking such efforts. For example, New Jersey, Texas, and the District of Columbia contend it cannot be done precisely, and Ohio and Pennsylvania claimed they did not have the resources or capability.

The frequency with which the 25 States and District of Columbia have performed intrastate comparisons of their public assistance rolls and the data elements which were matched vary significantly from State to State as shown in the following table.

States Which Reported Having Performed
Intrastate Matches of Public Assistance Rolls

<u>State</u>	<u>Public assistance rolls matched against AFDC 1/</u>	<u>Frequency of matches</u>	<u>Data elements matched</u>
Arizona	AFDC	Monthly	Name; address; date of birth
Arizona	Others (infor- mation not provided)	Monthly	Name; address; date of birth
Arkansas	AFDC	Once	Social security number; date of birth
California	AFDC	Semi- annual	Name; social security number; date of birth; case number
Colorado	AFDC	Daily	Name; date of birth; sex
Colorado	Employment Security	Informa- tion not provided	Information not provided
Connecticut	AFDC	Once	Child's name; address; date of birth; social security number
Connecticut	City of Hartford General Assist- ance	Once	Name; year of birth
District of Columbia	AFDC	Quarterly	Name; address; social security number; I.D. number
Florida	AFDC	Quarterly	Social security number
Hawaii	Unemployment Insurance	Daily	Social security number

1/When AFDC to AFDC matches are indicated, each AFDC beneficiary's record is checked against the records of all other AFDC beneficiaries on the rolls to identify potential duplicate enrollments.

ENCLOSURE I

ENCLOSURE I

<u>State</u>	<u>Public assistance rolls matched against AFDC</u>	<u>Frequency of matches</u>	<u>Data elements matched</u>
Illinois	AFDC	3 times per year	Name; race; sex; date of birth
Illinois	Medicaid	3 times per year	Name; race; sex; date of birth
Illinois	General Assist- ance	3 times per year	Name; race; sex; date of birth
Kansas	AFDC	Monthly	Name; address; date of birth; social security number
Kentucky	AFDC	Irregular	Name; address; social security number
Louisiana	AFDC	Continuous	Name; I.D. number
Mississippi	AFDC	Annual	Social security number
Missouri	AFDC	Daily	Name; case number
Montana	AFDC	Daily	Name; social security number
New Jersey	AFDC	Irregular	Social security number
New Jersey	Medicaid	Once <u>1</u> /	Social security number; case number
New Jersey	Food Stamps	Once <u>1</u> /	Social security number; case number
New Mexico	Public Employment Retirement Asso- ciation	Twice	Name; social security number; address; date of birth
New Mexico	State Unemploy- ment	Once	Name; social security number; address; date of birth
New York	AFDC	Once	Social security number; initials; date of birth

1/Performed only to update AFDC files; not recurring.

<u>State</u>	<u>Public assistance rolls matched against AFDC</u>	<u>Frequency of matches</u>	<u>Data elements matched</u>
New York	Others (informa- tion not pro- vided) <u>1/</u>	Informa- tion not provided <u>1/</u>	Information not provided <u>1/</u>
Ohio	AFDC	Monthly	Social security number
Ohio	Workmen's Compen- sation	Annual	Social security number
Oklahoma	AFDC	Daily	Name; social security number
Oklahoma	Food Stamps	Once <u>2/</u>	Social security number
Oregon	AFDC	Monthly	Address
Pennsylvania	AFDC	Annual	Social security number
Texas	AFDC	Monthly	Name; date of birth; sex; social security number
Utah	AFDC	Irregular	Name; sex; date of birth
Virginia	AFDC	Daily	Name; sex; date of birth; social security number
Wisconsin	AFDC	Quarterly	Social security number

1/State office is aware that some communities match different files occasionally, but it had no detailed information on which communities, which assistance programs, what frequency of matches, or which variables are used in matches.

2/Performed as part of a 2-year project (1973 and 1974) for converting cases to a new automated system.

Question 2: Determine which States have used the IDEX system.

Analysis of the 54 questionnaires showed that only Colorado, the District of Columbia, Idaho, Maryland, and Texas had used IDEX on a recurring basis as a means of matching their public assistance rolls. ^{1/} Of these, Colorado was the only one which used IDEX on an intrastate basis.

Thirty additional States reported that they had performed some sort of matching at least once (other than Project Match ^{1/}) on either an inter or an intrastate basis, but used a specially designed computer software package instead of IDEX. Many of these States said that they have incorporated certain IDEX features into their software packages. The most common reason given for using a specially designed package instead of IDEX was the ability to tailor such packages to meet local needs--that of the State or local communities. Some States reported that their specially designed systems were developed and functioning before IDEX and provided the same or similar results. Therefore, they saw no need or advantage in converting to the IDEX model. Other States contend that IDEX is not or would not be cost effective to use. Three States which have performed matches with specially designed systems reported that they were not familiar with IDEX.

Varying reasons for not using IDEX were also given by the States which have not matched their public assistance rolls except under Project Match. For example, some States commented that IDEX would require more staff to implement and to follow up on the results than they had available; some believed that it would be too difficult and burdensome because their public assistance programs were not part of an automated system; some expressed doubts about IDEX's cost effectiveness; and others said that they were not familiar with IDEX.

Question 3: Select several States and perform various analyses of their AFDC file data by using identifiers other than just the social security number to detect duplication.

Question 4: Match duplicates found on the AFDC cash assistance rolls with the (State) Medicaid and Food Stamp program file information to determine the impact of duplicates on those programs.

As described on pages 1 to 3 of this enclosure, we made a set of computer programs and performed our own analysis of AFDC rolls

^{1/}Most States participated in a one-time HHS-sponsored interstate effort called "Project Match." Project Match, which began in 1978, was designed to have States match--by comparing beneficiary social security numbers--their AFDC files using IDEX.

in Illinois, Massachusetts, Oregon, and Tennessee using several different data elements for comparing AFDC cases. Cases that appeared to be duplicates were checked against Food Stamp rolls to determine whether these persons were also receiving Food Stamp allowances. (All eligible AFDC recipients also qualify for Medicaid benefits.) As arranged with the Committee staff, we did not analyze Medicaid rolls because there are no cash payments or allowances made directly to Medicaid enrollees.

Program size and factors
affecting our analyses

The States in which we made our analyses were considerably different in terms of the size and cost of their AFDC and Food Stamp programs. The table below highlights these differences.

AFDC Enrollments and Monthly Payments
to AFDC and Food Stamp Beneficiaries

	<u>Illinois</u>	<u>Massachu- setts</u>	<u>Oregon</u>	<u>Tennessee</u>
Date of information	Sept. 1979	Nov. 1979	Oct. 1979	Sept. 1979
Number of AFDC cases	200,369	119,995	33,003	56,552
Number of people in AFDC payment struc- ture (adults and children)	700,477	348,596	90,807	151,637
Total monthly AFDC payments (000 omitted)	\$52,385	\$34,010	\$11,125	\$5,949
Total monthly Food Stamp allowance for AFDC beneficiaries (000 omitted)	\$19,339	\$8,081	\$1,757	\$5,981

A primary constraint affecting our analyses and the States' ability to perform similar analyses for detecting duplicate enrollments is the quality of critical AFDC and Food Stamp information in computer files and used in the matching process. For our analyses we compared enrollee names, addresses, dates of birth, sex, and social security numbers. Any invalid or missing information in these critical data elements had the potential effect of decreasing the number of duplicate enrollments which we were able to detect. For example, we discovered that Tennessee's records

frequently did not contain the first name of children. Instead, the word "unborn" had been inserted as the first name (e.g., Unborn Jones) when the AFDC record was established, but it was not eliminated after the child's birth. In these situations we were unable to compare this data element with the same element in any other records. Many last names--primarily children's--were missing from the Illinois' records which prevented any comparison of this critical data element for those names which were missing. Invalid social security numbers (that is, numbers within ranges not yet issued by the Social Security Administration (SSA)) also presented problems to a varying degree in all four States. The following table shows the extent of invalid or missing information we discovered in the critical data elements that were used in our analyses--this is displayed in terms of the number of errors we found and as a percentage of beneficiary records which contained at least one error.

Invalid or Missing AFDC Data Elements

<u>Data element</u>	<u>Illinois</u>	<u>Massachusetts</u>	<u>Oregon</u>	<u>Tennessee</u>
Social security number (note a)	82,753	44,264	4,803	11,670
Last name (note b)	20,170	8	1	-
First name	-	54	1	3,388
Date of birth	-	6	1	-
Street address (note b)	102	30	165	-
Total number of errors	<u>103,025</u>	<u>44,362</u>	<u>4,971</u>	<u>15,058</u>
Number of beneficiary records containing at least one error	102,090	44,344	4,961	11,728
Number of beneficiaries in the payment struc- ture	700,477	348,596	90,807	151,637
Percent of beneficiary records containing at least one error	14.6	12.7	5.5	7.7

a/This data element was not within the valid ranges of social security numbers allocated by SSA.

b/This data element was blank or missing.

The States which had the most erroneous data also appeared to have the most duplicate enrollments as explained below.

Massachusetts

As described on pages 1 to 3 of this enclosure, we assigned weights (or values) to the critical data elements (that is, name, address, date of birth, sex, and social security number) and compared beneficiary records to determine the closeness of the matches. After matches were found, we ranked these pairs of records according to the likelihood that duplicate enrollments existed. Overall scores varied depending on which data elements were found to match among the records. The match scores were then grouped into four match classes, each representing a range of scores. With the assistance of auditors from the Commonwealth of Massachusetts, we reviewed a nonstatistical, judgmental sample of AFDC case folders from each of the match classes. In total, 246 AFDC case files were sampled and reviewed (representing 123 pairs of potential duplicated cases--where one or more persons were listed in another case). Case folder reviews yielded the following results.

	<u>Cases (pairs)</u>	<u>Percent</u>
Cases containing no duplicate enrollments	114 (57)	46
Cases containing duplicate enrollments with no payment errors	46 (23)	19
Cases containing duplicate enrollments and potential payment errors	<u>86 (43)</u>	<u>35</u>
Total	<u>246 (123)</u>	<u>100</u>

The auditors conducted a followup and even more detailed review of the 86 cases identified as having potential payment errors. They informed us that 52 of these cases appeared to contain payment errors as a result of duplicate enrollments; 10 of which were caused by administrative error, and 42 possibly involving recipient fraud. Six cases were not fully reviewed because the case files could not be located. In all, the auditors said that 48 cases would be referred to the Commonwealth's Bureau of Special Investigation, which investigates matters of suspected fraud. The Auditor General's office also stated the amount of the payment error for these cases could not be determined until a recertification of each recipient's eligibility was made.

The 86 cases came from the two highest match classes. Altogether 267 pairs of Massachusetts AFDC cases (534 cases in total) fell into these two highest classes, and based on our sample results we believe many of them contain duplicate enrollees. Additionally, we identified 344 Food Stamp cases involving the same beneficiaries. As requested by the Committee staff, we gave the

AFDC cases to the HHS Office of the Inspector General on June 16, 1981, so that a more detailed review can be made. Finally, Massachusetts had a 12.7-percent data element error rate in its AFDC records--as shown in the table on page 11--which limited our ability to match all the cases on its AFDC rolls.

Illinois

The matching process of AFDC rolls in Illinois identified 6,580 pairs of cases (13,160 cases in total) included in the two highest match classes, which proved to be 88 percent accurate in identifying duplicate enrollments in Massachusetts. In addition, our matching technique identified 8,802 associated Food Stamp cases involving the same beneficiaries.

Because of the successful results we obtained in Massachusetts with the cooperation of State auditors, we sought the assistance of Illinois State auditors to collect and assist in reviewing case folders as a means of verifying the results of our matching process. We selected a random, statistically valid sample of the Illinois AFDC cases falling in the two highest match classes--1,592 cases in total were in our sample. However, the Chief Auditor of the Illinois Department of Public Aid advised us that it was impractical to centrally collect this number of records because (1) case-workers would be hindered in promptly responding to recipient needs if case folders were not available; (2) the risk of losing the records would be too great; and (3) the cost of mailing, receiving, and returning the records would be difficult to bear.

Due to the large number of cases that would have to be reviewed, and the numerous locations in Illinois that would have to be visited, the Committee staff requested that we not pursue this matter further. Instead, they asked that we give the HHS Office of the Inspector General a list of the 6,580 pairs of cases. Illinois also had the highest data element error rate--14.6 percent as shown on page 11--which limited our ability to match all of the cases on its AFDC rolls.

Because most of the data element errors dealt with social security numbers, the Committee staff asked us to verify the numbers of Illinois' AFDC recipients. Therefore, using SSA's validation system, which enables a positive identification of valid social security numbers to the individual's name, we checked the other numbers to determine their correctness and found an additional 96,620 numbers which had different names than those shown in SSA's records. These potentially incorrect numbers, along with the 82,753 invalid ones--as shown on page 11--indicate that about 25 percent of all numbers in Illinois' AFDC computerized records may be erroneous.

Oregon and Tennessee

We found that neither Oregon nor Tennessee had many AFDC cases falling in the two highest match classes--only 25 pairs of cases (50 cases in total) in Oregon and 42 pairs of cases (84 cases in total) in Tennessee. Due to the few matches we found in these two States, we did not attempt to perform a review of the case folders. However, as previously discussed, we gave a list of the matching cases to the HHS Office of the Inspector General for its followup efforts. Data element errors were found in each State which limited our ability to match all of the AFDC cases. The data element error rate was 5.5 percent in Oregon and 7.7 percent in Tennessee.

CONCLUSIONS AND RECOMMENDATIONS

States have made efforts to compare their public assistance rolls on an intrastate basis for identifying duplicate enrollments and payments. Twenty-five States and the District of Columbia informed us that they have, at least once, performed such comparisons. However, because the frequency, thoroughness, and amount of available information on the results of these efforts vary significantly from State to State, we are unable to draw an overall conclusion on the success of these efforts in identifying duplicate payments.

Our intrastate comparisons of AFDC rolls in Illinois, Massachusetts, Oregon, and Tennessee showed that duplicate enrollments existed which, in turn, may have resulted in duplicate payments undetected by these States. Specifically, in Illinois we identified 6,580 pairs of AFDC cases which appear likely to involve duplicate enrollments because of similarities or exact matches of beneficiary names, addresses, dates of birth, sex, and social security numbers in AFDC computer records. Similarly, we identified 267 pairs of such cases in Massachusetts, 25 pairs in Oregon, and 42 pairs in Tennessee. A determination of the number of cases that resulted in duplicate enrollments and payments was not made because of the large number of cases. The HHS Office of the Inspector General is investigating these cases and we have requested that they report to us on the results of the investigations.

Our ability to identify the amount of AFDC duplication in the four States was also constrained because of invalid and missing AFDC beneficiary information in the States' computerized data bases, which were critical to our analyses. We found at least one error in the beneficiary's name, address, date of birth, or social security number in 14.6 percent of the beneficiary records of Illinois; 12.7 percent in Massachusetts; 7.7 percent in Tennessee; and 5.5 percent in Oregon. The extent and type of these errors make it difficult to compare AFDC rolls for identifying duplicate enrollments and payments and, in our opinion increases the risk that duplication can occur without being detected.

Accurate benefit information also facilitates cross-checking with other welfare programs to assure that beneficiaries receive only those benefits to which they are entitled.

Most of the data element errors we found dealt with invalid social security numbers. Therefore, to help assure that valid social security numbers are used in the AFDC program, we recommend that the Secretary of HHS direct the Commissioner of Social Security to give the States a list of the valid ranges of social security numbers for the States' use in checking numbers provided by AFDC beneficiaries.

We also recommend that the Secretary direct the Commissioner of Social Security to determine why Illinois has so many incorrect social security numbers in its AFDC computerized system and require the State to:

- Modify its system to prevent the inclusion of beneficiary records with erroneous social security numbers and missing last names.
- Correct the erroneous data currently on file.

We further recommend that the Secretary of HHS direct the Commissioner of Social Security to require Tennessee to update AFDC beneficiary data when dependent children are born to eliminate the designation of "unborn" in children's records.

In addition, we recommend that the Secretary of HHS direct the Inspector General to follow up on State efforts to resolve the potential duplicate AFDC cases we referred to the Inspector General and report on the disposition of these cases.

In commenting on a draft of this report (see enc. II), HHS stated that substantive improvements have recently been made in that States (1) can now obtain bimonthly verifications of social security numbers from SSA and (2) have been provided a list of the ranges of all social security numbers that have ever been issued. HHS agreed to work with Illinois and Tennessee to correct the erroneous data currently on file and the Department will monitor State efforts to resolve the potential duplicate cases we referred to the Inspector General.

ENCLOSURE II

ENCLOSURE II



DEPARTMENT OF HEALTH & HUMAN SERVICES

Office of Inspector General

Washington, D.C. 20201

24 AUG 1981

Mr. Gregory J. Ahart
Director, Human Resources
Division
United States General
Accounting Office
Washington, D.C. 20548

Dear Mr. Ahart:

The Secretary asked that I respond to your request for our comments on your draft report entitled, "States' Efforts to Detect Duplicate Public Assistance Payments." The enclosed comments represent the tentative position of the Department and are subject to reevaluation when the final version of this report is received.

We appreciate the opportunity to comment on this draft report before its publication.

Sincerely yours,


Richard P. Kusserow
Inspector General

Enclosure

COMMENTS OF THE DEPARTMENT OF HEALTH AND HUMAN SERVICES ON THE
GENERAL ACCOUNTING OFFICE'S DRAFT REPORT ENTITLED "STATES'
EFFORTS TO DETECT DUPLICATE PUBLIC ASSISTANCE PAYMENTS"

General

Substantive improvements have been made or planned in internal controls over State systems for administering the Aid to Families with Dependent Children (AFDC) program since GAO began this review in June 1979--improvements not reflected in the 1979 case records GAO examined. These improvements are basic and address both themes of this report:

1. The need for accurate social security numbers (SSNs) on State AFDC data bases for all beneficiaries, so cross-checks can be performed with other record systems;
2. The need to fully utilize the capabilities of automated AFDC systems to prevent, or at least detect, erroneous payment situations including duplicate payments.

In March 1981 the Social Security Administration (SSA) significantly expanded service to State welfare agencies under the Beneficiary and Earnings Data Exchange (BENDEX) system, the automated information system States use to access most SSA records in the AFDC program. As frequently as twice monthly States can now obtain comprehensive information about each AFDC applicant and recipient, including: whether SSA records confirm the applicant's stated SSN and, if not, what personal identifying information SSA does have on that SSN; what the applicant's earnings were for the most recent year available; and whether the applicant is also receiving SSA benefits such as Social Security or Supplemental Security Income.

Before this expansion, SSN verification information generally was restricted to the five percent or so of AFDC applicants who also received SSA benefits, and the only SSN verification information furnished back to the States was a "yes" or "no" on whether the AFDC applicant's personal identifying information matched what was on SSA's records. In many cases this information was not as helpful to the States as it could have been. For example, many women who take their husband's name when they marry do not notify SSA of their name change. Before, when a woman applied for AFDC under her married name and correct SSN, there would be "no match" with SSA's records because of the different last name. That was all SSA would tell the State--"no match". Now, under the expanded BENDEX, if there is no match the State is told what identifying information (including full name and date of birth) the SSN was issued under. This can make it much easier for the case worker to get the AFDC applicant's SSN straight. Thus far seventeen States have signed up for the expanded BENDEX, which we are relying on to maximize the accuracy of the SSN information carried on State AFDC records.

We believe data base discrepancies and duplicate grant cases will also be substantially reduced through the new incentive funding provision in the law that took effect July 1, 1981. The Social Security Act now provides 90 percent Federal funding for AFDC automated systems development and installation. In order to qualify for the incentive funding States have to use the expanded BENDEX to validate and verify applicant and recipient SSNs. Any approved system must also have the capability to detect intrastate and interstate duplicate grants. Some 46 States are now expected to develop automated AFDC systems that meet Department standards for incentive funding.

GAO Recommendation

That the Secretary of HHS direct the Commissioner of Social Security to:

- Provide the States with a listing of the valid ranges of social security numbers (SSNs) for the States' use in checking numbers provided by AFDC beneficiaries.

Department Comment

We agree and, in fact, this has already been done. The new edition of the BENDEX Handbook, which was distributed to State welfare agencies in June 1981, contains a list of the ranges of all SSNs that have ever been issued. We plan to update this SSN range table periodically.

GAO Recommendation

- Determine why the State of Illinois has so many incorrect social security numbers in its AFDC computerized system;
- Require the State to modify its system to prevent the inclusion of beneficiary records with erroneous social security numbers and missing last names;
- Require the State to correct the erroneous data currently on file.

Department Comment

We agree that having as many wrong SSNs on the AFDC data base as GAO found on Illinois' 1979 records represents a serious weakness in management controls. We will work with the State welfare agency to define the scope and nature of the problem as it currently exists and to initiate appropriate corrective action--through the expanded BENDEX--that will assure correct SSNs not only on new AFDC case records but also, so far as possible, on the existing data base. GAO also found that the Illinois' 1979 computer records did not show the last name of all children, and we will work with State officials to correct this deficiency as well.

GAO Recommendation

--Require the State of Tennessee to update AFDC beneficiary data when dependent children are born to eliminate the designation of "unborn" in children's records.

Department Comment

As the report indicates, in Tennessee a prospective mother with no other eligible children can receive AFDC benefits on behalf of an unborn child. We agree the data base should be updated when the child is born. We will check with the State agency to see whether an alert can be incorporated into their automated AFDC system to identify case records that stay in "unborn" status for an excessive period of time, so that a case worker can get in touch with the family and update the record with the child's name.

GAO Recommendation

That the Secretary of HHS direct the Inspector General to:

--Follow-up on State efforts to resolve the potential duplicate AFDC cases GAO referred to the Inspector General and report on the disposition of these cases.

Department Comment

We concur. The computer tapes GAO turned over to the Inspector have been processed to provide a work product from which investigations can begin. This work product will be tested by the Inspector General in the field before referral to the States is made on the bulk of the potential duplicate cases. We will meet with GAO in the near future to agree on a method by which we will report on the disposition of these cases.

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